Online Training for Insurance Sector by US

2048. SHRI RAMA MUNI REDDY SIRIGIREDDY:
SHRI K. RAMA MOHANA RAO:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the US-based companies have offered on-line training in insurance sector;

(b) if so, whether the Insurance Regulatory and Development Authority has agreed to the proposal; and

(c) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Insurance Regulatory and Development Authority (IRDA) has informed that US based companies have not directly offered online training facilities. However, the Authority has granted permission to an Indian company, which has a tie-up with US based company, to offer online training in accordance with the IRDA regulations.

Corporate Governance

2049. SHRI DINA NATH MISHRA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) wether the lack of efficient and honest corporate governance has emerged as a matter of grave concern for the Banks, the R.B.I. and Government; and

(b) whether Government are currently working on proposals stressing strict accountability norms for auditors and financial analysis, besides re-defining their liabilities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir. Recently Reserve Bank of India reviewed the existing requirements of corporate governance in banks with the requirements of Securities and Exchange Board of India (SEBI) for listed companies to harmonise the norms for banks. It was observed that majority of norms prescribed

by SEBI for listed companies, in particular relating to optimum combination of executive and non-executive directors on the Board, remuneration of directors, periodicity of and disclosure to Board meetings, roles and responsibilities and conduct of business of Independent Audit Committee, compliance with accounting standards, stock exchange and legal requirements are already in place in banks.

(b) The Government from time to time has taken steps to improve Corporate Governance by making provisions in the Companies Act, 1956 such as (i) providing for compliance with the accounting standards in preparation of profit and loss account and balance sheet (ii) to cast duty on the Board of Directors to include *inter-alia* in the Directors' Responsibility Statement that applicable accounting standards had been followed and (iii) to provide for appointment of an audit committee by the companies having paid up capital of not less than rupees five crores. Further, if accounts do not present a true and fair view of the affairs of an Indian company, it can be prosecuted under Section 211 and/or Section 628 of the Companies Act. The concerned auditing firm can be prosecuted under Section 233 of the Companies Act or proceeded against, for professional misconduct, under Section 21 of the Chartered Accountants Act.

Mounting arrears of Disputed Tax of Corporates

2050. SHRI CHO S. RAMASWAMY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the disputed tax liability of the corporate sector is on the rise;

(b) if so, the total liability and the details of the individual liabilities;

(c) what are the reasons for this mounting arrears; and

(d) what steps are being taken to recover these dues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) The total disputed tax liability has been showing an upward trend in the last 3-4 financial years. Statistics in respect of the Corporate and non-Corporate sectors are not separately maintained.

(b) The total disputed tax liability at the end of December, 2002 was